

FAMILY INDEPENDENCE PROGRAM 2004 Annual Report

PROVIDING SUPPORT FOR LOW-INCOME RHODE ISLAND FAMILIES



Rhode Island Department of Human Services

Welfare Reform in
Rhode Island Under the
Family Independence Act



FAMILY INDEPENDENCE PROGRAM FACTS

NUMBER OF FAMILIES ON FIP

- 14,142 3,475 (25%) are child only cases

HOUSEHOLD CHARACTERISTICS

- Household with 1 parent: 93%
- Household with 2 parents: 7%
- The majority of FIP families (76%) have only 1 or 2 children.
- Number of children within FIP families

1	child	46%
2	children	30%
3	children	15%
4+	children	9%

PRIMARY LANGUAGE SPOKEN

- English - 78 %
- Spanish - 18 %
- Other - 4 %

ETHNICITY

White	40%
Hispanic	29%
Black	15%
Asian	4%
Native American	1%
Other	11%
(includes not reported)	

EDUCATION LEVEL OF PARENT(S)

12th grade education or higher . .	53%
less than 12th grade	47%

HOUSING

Approximately 1/3 of FIP households have subsidized housing

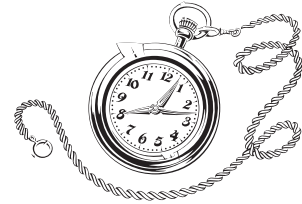
TEEN PARENTS (heads of households under 20)

Number of teen parent households on FIP: 651

Number of minor teen parents who are unable to live with their parents and are served by New Opportunity Homes in 2003: 32 teen moms & their babies

TIME LIMIT ON FIP

- Parents on FIP have a 5-year life-time limit to receive cash assistance.
- Children on FIP are not subject to a time limit, however continued eligibility for children beyond 5 years is based on the parent's income.



FIP CASE OPENINGS & CLOSURES IN 2003

- 7,440 new families applied for and opened to FIP cash assistance.
- 7,668 cases closed to FIP cash assistance. Of the cases that closed to cash assistance, 3,935 cases closed due to employment.

LENGTH OF TIME ON FIP

- 38% of Families on FIP receive cash assistance benefits for less than 3 years.
- 19 % of the FIP population return to FIP due to layoffs, loss of unemployment benefits or other reasons, but most often return to work as soon as possible.

MORE FIP FACTS IN 2003

- Approximately 1,800 parents participated in education and/or training programs.
- An average of 1,400 companies employed current and/or former FIP parents.

SERVICES AVAILABLE THROUGH FIP

- Literacy
- Adult Education
- GED
- Learning Disabilities Project
- English as a Second Language (ESL)
- Short Term Vocational Training
- Job Development, Placement and Retention Services
- Domestic Violence Project
- Adolescent Self-Sufficiency Collaborative
- New Opportunity Homes
- SSTAR Birth Residential Treatment
- Peer Support Groups
- RIPTA Transportation
- Clothing Collaborative

GOALS OF THE FAMILY INDEPENDENCE ACT

The Family Independence Act (FIA), Rhode Island's version of welfare reform, is a comprehensive statute that represents a successful initiative within the 1996 General Assembly session. FIA provided clearly articulated goals and guiding principles that substantially altered welfare in this state.

Two **major goals** of FIA are:

- To assist families in obtaining sustainable jobs that move them out of poverty and into economic self-sufficiency
- To support the healthy development of low-income children in our state, and

Principles guiding the policies and programs under FIA are:

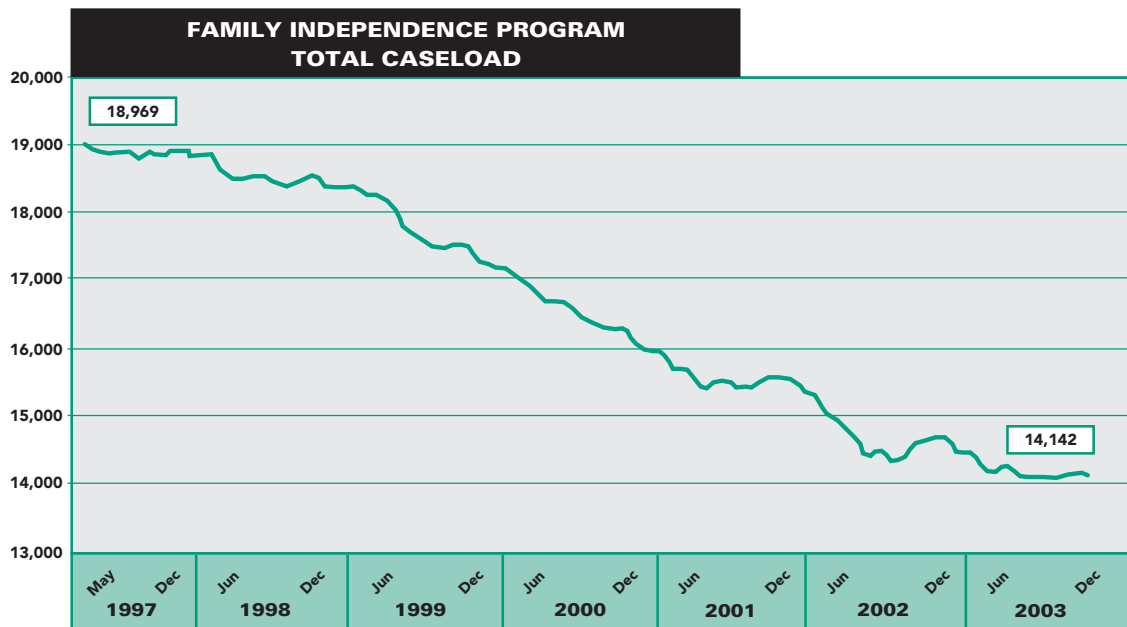
- Poor children should be no worse off than they were before welfare reform
- Adults should be able to access education and training if they need to, within the first 24 months of benefits, before they are required to go to work

There are 5 anticipated **OUTCOMES** of the Family Independence Program. They are:

1. Families who receive cash assistance will be able to increase their household income through employment.
2. There will be a gradual decrease in the level of cash assistance to employed families.
3. There will be a gradual decrease in state expenditures for cash assistance for families.
4. Cash assistance savings from family earnings will be reinvested in health care, child care, education, literacy and skills training.
5. Family cohesion will be enhanced and more stable living environments for children will be created.

PROGRESS REPORT: A Look Back After 6 Years Of The RI Family Independence Program

- FIP Caseload continues to decline - from 18,969 in May 1997 to 14,142 in December 2003. This is the lowest in 25 years.

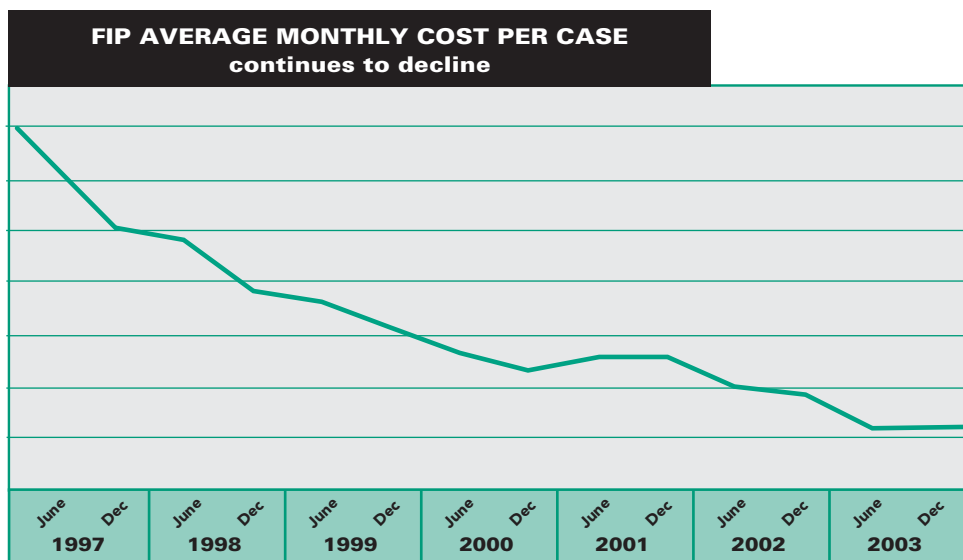
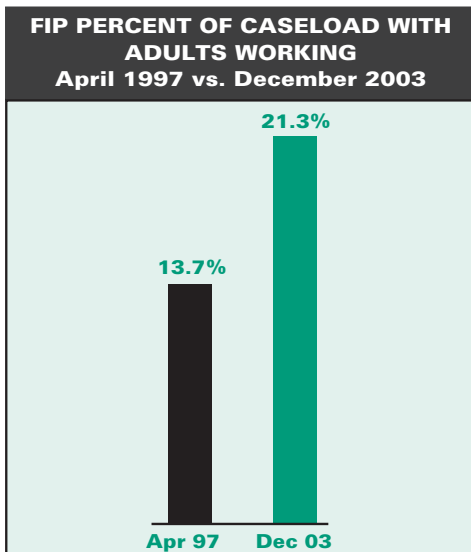


Since FIP began, 22,971 cases have closed to cash assistance due to employment. This figure represents a number equal to the total population of Westerly, RI.



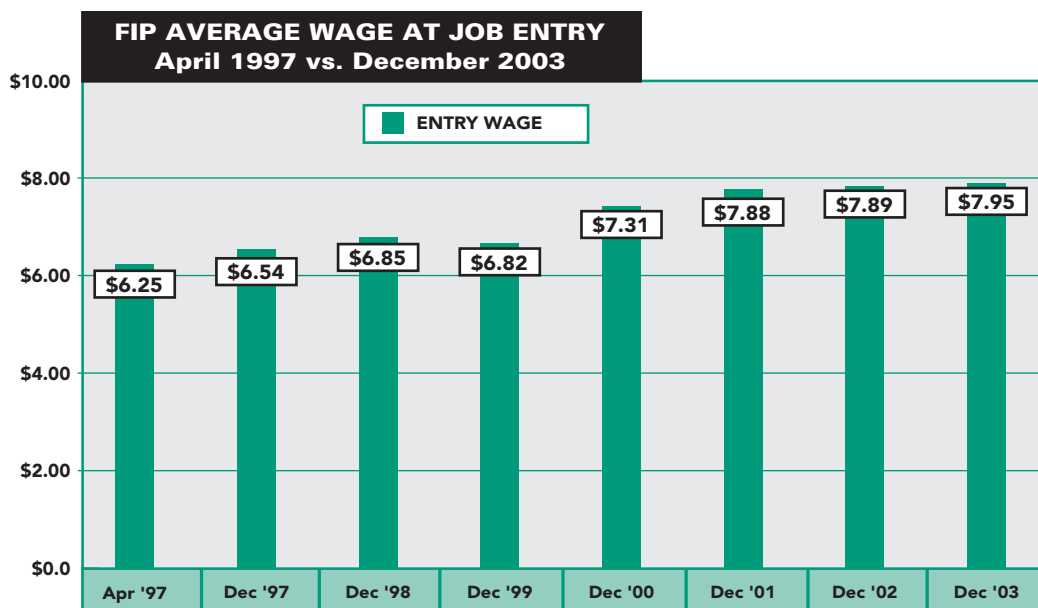


June Allen and Juan Ospina from DHS' Rlte Works Employment and Retention Services, working with businesses to promote hiring of FIP participants, Business Expo 2003



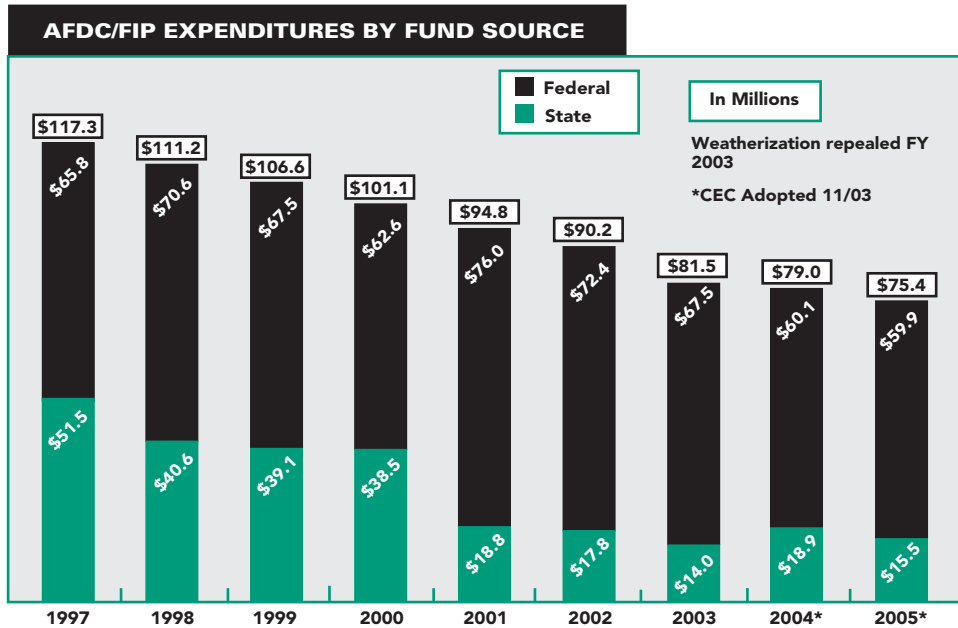
Since FIP began, 22-24% of families on FIP are working and therefore receive a reduced grant to supplement their wages.

This supplemental grant to working families on FIP, has contributed to an overall reduction in the average cost per case on FIP.

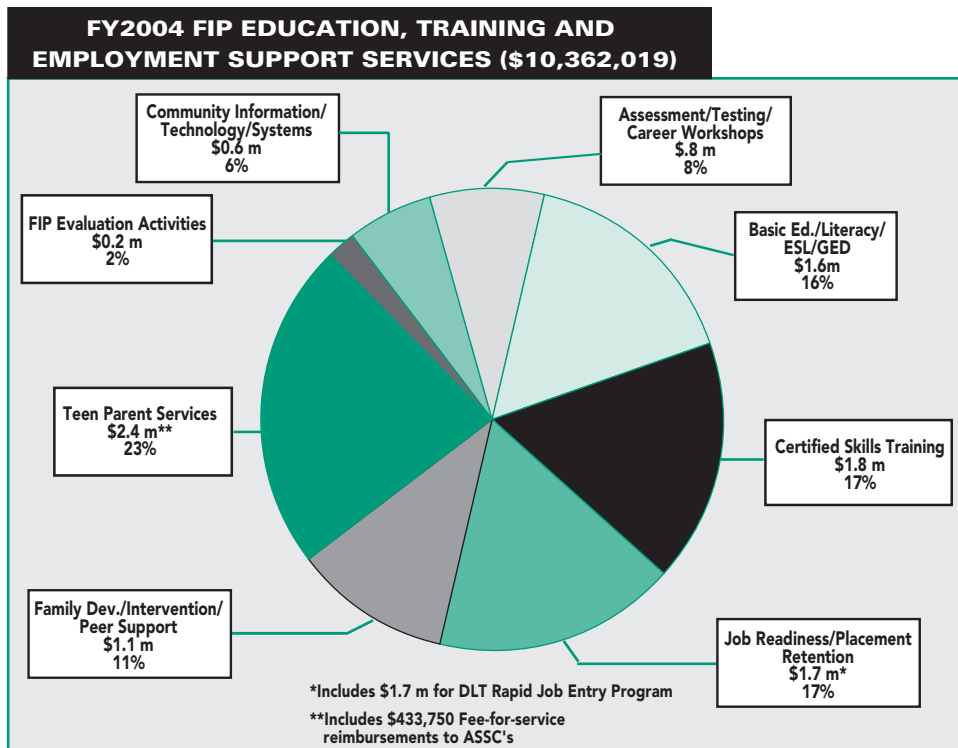


HEALTH CARE

- When FIP parents become employed, they can continue their Rte Care health coverage for their family. If their employer offers health insurance at work, they can get assistance paying for their employers' health insurance through Rte Share, the state's premium assistance program.
- Rte Care health insurance offers comprehensive health coverage through one of three participating health plans: Neighborhood Health Plan of RI, United Healthcare, and Blue CHIIP.
- Since 1996, RI has ranked as one of the top three states in the nation for having the lowest percentage of uninsured children in the state.



Since FIP began, there has been a steady decrease in state expenditures for FIP Cash Assistance from \$51.5 million in 1997 to \$15.5 million in 2003.

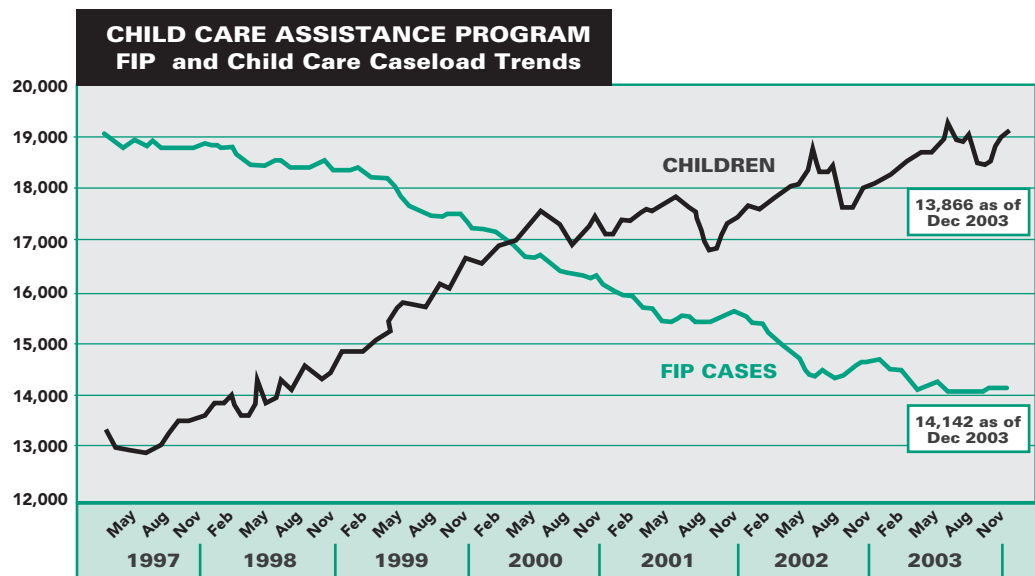
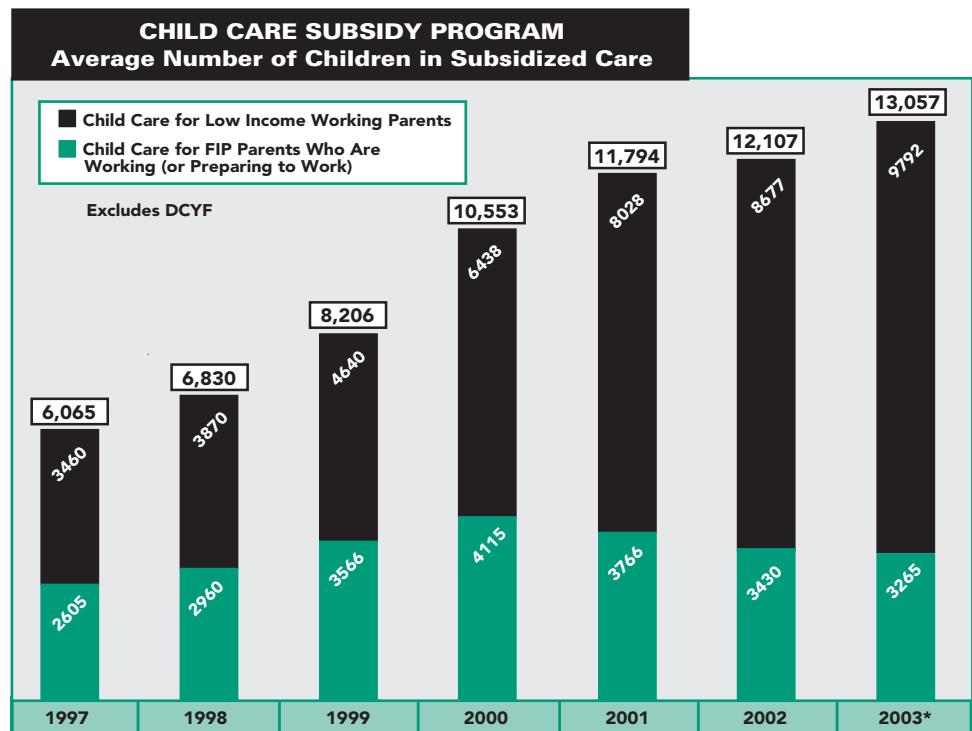


Since FIP began, 9,225 parents participated in education and/or training in order to go to work.

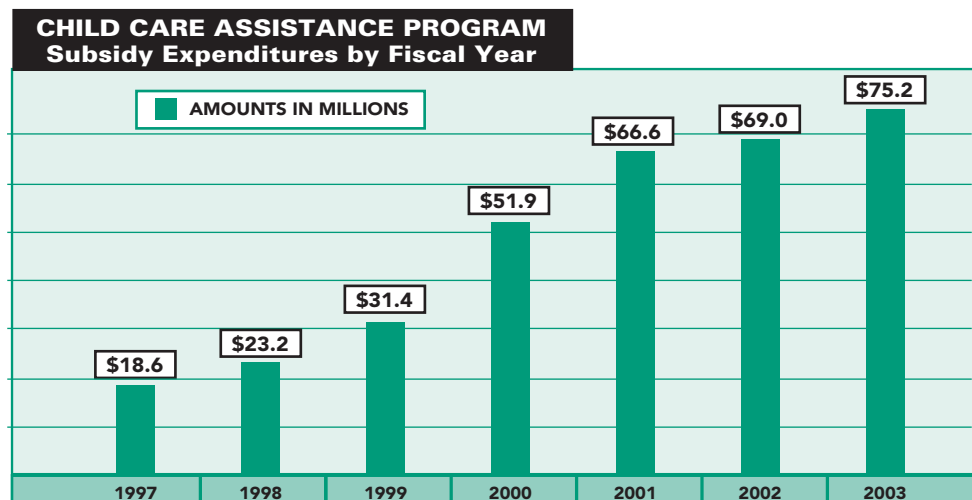


CHILD CARE

Commitments to CHILD CARE quality, availability, accessibility and affordability for current and former FIP recipients and other low-income working families have increased child care subsidy investments from \$18.6 million in 1997 to \$75.2 million in 2003.



FIP – CHILD CARE





RHODE ISLAND RECEIVES HIGH PERFORMANCE BONUS AWARDS — 4 Out of 5 Years

The federal TANF law defines major indicators of success and recognizes each year ten states which achieve the highest performance measures in specific categories.

1999 Improvement in Job Entry and Improvement in Success in the Workforce

Total Award= \$ 2,495,027

2001 Improvement in Job Entry and Success in Workforce Performance

Total Award= \$ 4,751,070

2002 Improvement in Success in the Workforce and Performance in Child Care Subsidy and Food Stamp Improvement

Total Award= \$ 2,253,419

2003 Performance in Child Care Subsidy and Improvement in Family Formation/Stability

Total Award= \$ 704,793

TOTAL AWARDS = \$ 10,104,589

REPORT FROM THE WELFARE REFORM IMPLEMENTATION TASK FORCE

The Welfare Reform Implementation Task Force (WRITF), which is made up of advocates, service providers, academics, members of the public and FIP recipients provides input to DHS on policies and procedures to help assure that FIP meets its goals of helping parents move from welfare to work while enhancing the well-being of children and lifting families out of poverty. The WRITF also monitors federal reauthorization of the TANF program and other federal proposals that will impact the FIP program and its participants. WRITF is chaired by the Policy Director of the Poverty Institute at RI College School of Social Work and meets monthly with an average attendance of 35 participants from the community and DHS. In 2003, the WRITF's subcommittees worked on the following issues:

- **Housing subcommittee** worked with the DHS to implement policies to help homeless families move from shelters to permanent housing and to coordinate services between shelter providers and DHS social workers.
- **Education subcommittee** reviewed the Learning Disabilities project, a collaboration between the DHS FIP Program and the DHS Office of Rehabilitative Services, and made recommendations for expanding this successful program.
- **Training subcommittee**, which included representatives from DHS and DCYF, developed and implemented a training program for direct service staff from DCYF and the DHS to enhance knowledge of each other's programs and to encourage collaboration in providing services to mutual clients.

Issues and Concerns for Future:

While there have been many successes, the WRITF has long been concerned that there is a need for more social work staff to help FIP parents in moving from welfare to work. For many parents and particularly where there is a significant barrier to employment (disability of the parent or child, limited education or learning disabilities) the lack of case management means that parents could reach their 5 year time limit without having gained the skills to support their families. As more parents reach their five year time limit, we need to develop new ways of helping them find and secure jobs and better assure the well-being of the children. In addition, we need to assure that social services remain available to these families. Increased coordination with other state agencies is necessary as are investments in technology to help manage workers large caseloads.





STATE & FEDERAL PARTNERSHIP

Both the state and the federal government fund RI's Family Independence Program. The U.S. Department of Health and Human Services administers the **TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) Program**.

TANF is part of a federal law which governs welfare reform nationally. Major requirements of TANF are:

- States must meet specific participation requirements on a yearly basis; (50% of cases must be engaged in approvable work activities)
- States must define strong work requirements in order for parents to receive cash assistance (30 hours per week for 1 parent families; 35 hours per week for 2-parent families);

- States must track and report monthly, quarterly, and annually all work related activities of cases on cash assistance;
- Parents are given a 5-year lifetime limit on TANF cash assistance.

Failure to meet TANF requirements can result in significant financial penalties to the state.

SPOTLIGHT ON THE FUTURE: CONGRESS DEBATES TANF REAUTHORIZATION

As the RI Family Independence Program enters its seventh year, it has had many successes to look back on, but also continues to face many challenges. These include: meeting federal TANF requirements, maintaining appropriate services levels in the backdrop of state and federal fiscal constraints, and working with a remaining population of long-term recipients who may have serious barriers to self-sufficiency. And in the approaching years, Rhode Island faces even greater challenges as we prepare for *TANF Reauthorization*. While many issues remain undecided, both Congress and the current administration appear to have reached common ground on several proposed changes to TANF, which include:



- **Universal Engagement** - Every FIP parent - approximately 10,400 in RI - must have an active Employment Plan. Failure could result in financial penalties of approximately \$4.75 million per year to the state.

- **Increased Work Participation Rates** - From current requirement of 50 % to new requirement of 70 % of cases must meet work requirements. Failure could result in financial penalties of approximately \$4.75 million to the state.
- **Increased hours of work or work-related activity required** - From 30 to 40 hours per week.

IMPACTS on Rhode Island, if passed:

- Significant increase in child care expenditures will result
- Increased need for work preparation resources
- Increased demand for case management services and systems tracking
- Financial penalties each year if RI fails to engage all FIP parents and/or to achieve required participation levels

TANF funding has been extended until March 31, 2004. There is an expectation that this date will be extended to October 2004.



Donald L. Carcieri, Governor

Jane A. Hayward, Director

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